

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 L-03 PM-04 DODE-00 SS-15 INR-07 NSC-05

SP-02 SAM-01 CIAE-00 ACDA-05 OMB-01 /054 R

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R 192335Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

S E C R E T STATE 224479

E.O. 11652: GDS

TAGS: MASS, IR

SUBJECT: SHAH'S CONCERNS RE SECURITY ASSISTANCE ISSUES

REF: TEHRAN 8243

1. DURING HIS BRIEFINGS AT DOD LAST WEEK, GENERAL TOUFAN-
IAN RAISED SEVERAL OF THE ISSUES MENTIONED IN REFTEL AND
DEPARTED WASHINGTON APPARENTLY SATISFIED WITH UNDERSTANDINGS
WHICH WERE REACHED.

2. SPRUANCE SHIPS. TOUFANIAN AND ATTAIE "ACCEPTED" A
20-24 MONTH DELAY IN DELIVERY OF FIRST SPRUANCE. USN HAS
AGREED TO PROVIDE HIM BY OCTOBER 15 LATEST PRICE ESTIMATES
AND DELIVERY SCHEDULE. A SPECIAL LIAISON OFFICER ALSO
HAS BEEN ASSIGNED BY ATTAIE TO WORK WITH USN TO ENSURE THAT
GOI IS KEPT CURRENT ON ALL ASPECTS OF SPRUANCE CONSTRUCTION.
(FYI: TOUFANIAN'S PRINCIPAL COMPLAINT WAS THE DEARTH OF
INFORMATION PROVIDED HIM SINCE THE SIGNED LETTER OF OFFER.
USN WILL NEED TO PREPARE ANOTHER AMENDMENT TO THE SPRUANCE

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LETTER OF OFFER. END FYI.)

3. WITH RESPECT TO LICENSES, ROYALTIES, AND DOD'S RECOUPMENT OF RAND D FOR BELL HELICOPTER, ALL OF THIS IS DETAILED IN LETTER OF OFFER PREVIOUSLY PRESENTED. IF GOI SHOULD SELECT ANOTHER U. S. HELICOPTER, THESE FEATURES WOULD HAVE TO BE NEGOTIATED WITH THE COMPANY AND DOD. THIS HOLDS TRUE AS WELL FOR ANY OTHER MILITARY OR COMMERCIAL CO-PRODUCTION PROJECTS WHICH MAY BE UNDERTAKEN IN THE FUTURE.

4. F-16. TOUFANIAN RAISED QUESTION OF CO-PRODUCTION OF COMPONENTS FOR F-16 AND NOTED THAT IRAN WOULD WANT CO-PRODUCTION ARRANGEMENTS "SIMILAR" TO EUROPEAN CONSORTIUM. AT END OF LENGTHY DISCUSSION, TOUFANIAN AGREED THAT LETTER OF OFFER CURRENTLY UNDER PREPARATION FOR THE FIRST PURCHASE OF 160 F-16'S SHOULD BE SENT TO HIM WITHOUT A CO-PRODUCTION PROPOSAL. IF THE GOI BUYS ADDITIONAL F-16'S LATER, TOUFANIAN SAID, CO-PRODUCTION MUST BE PART OF THE DEAL. (COMMENT: WE ARE NOT TOTALLY CONFIDENT THAT THE ABOVE "UNDERSTANDING" WILL HOLD AND CO-PRODUCTION FOR THE FIRST TRANCHE OF F-16'S MAY WELL BE RAISED AGAIN.)

5. JET ENGINES. TOUFANIAN RAISED CO-PRODUCTION OF JET ENGINES ON MORE THAN ONE OCCASION AND U. S. SIDE EXPLAINED AT SOME LENGTH THE PROBLEMS OF PRODUCING HIGH-PERFORMANCE ENGINES. IT WAS SUGGESTED, AND TOUFANIAN APPEARED TO BE IN AGREEMENT, THAT GOI MIGHT COMMENCE WITH CO-PRODUCTION OF HIGH CONSUMMABLE SPARES AND BUILD ON THIS FOUNDATION OVER THE YEARS. APPARENTLY, PRATT AND WHITNEY, DIVISION OF UNITED TECHNOLOGIES, IS WORKING ON SOME KIND OF CO-PRODUCTION SCHEME. ANY SUCH PROPOSAL, WHEN COMPLETED, WOULD HAVE TO BE REVIEWED BY STATE, DOD AND OTHER INTERESTED DEPARTMENTS.

6. THERE WAS NO OPPORTUNITY FOR DISCUSSION OF R & D RECOUPMENT CHARGES FOR TOW AND MAVERICK. DOD PREPARING SEPARATE INSTRUCTION.

7. WITH RESPECT TO SHAH'S REQUEST FOR GENERAL STATEMENT ON TRANSFER OF TECHNOLOGY AND CO-PRODUCED MILITARY ITEMS
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(TEHRAN 6479), A SEPARATE MESSAGE IS IN PREPARATION BUT WILL PROBABLY NOT REACH YOU FOR SEVERAL DAYS. KISSINGER

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